

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

SECURITIES AND EXCHANGE)
COMMISSION,)
)
Plaintiff,)
)
v.)
)
BIOCHEMICS, INC., JOHN J. MASIZ,)
CRAIG MEDOFF and GREGORY S.)
KRONING,)
)
Defendants.)

Civil Action No. 12-12324-MLW

**BIOCHEMICS' SECOND MOTION
FOR APPROVAL OF THE PARTIAL TRANSFER
OF BIOCHEMICS' INTELLECTUAL PROPERTY RIGHTS**

BioChemics moves for an Order approving the partial transfer of BioChemics' intellectual property rights in consideration of the payment into the Court's registry of \$5 million by December 28, 2017. The basis for this Motion is as follows:

I. RELEVANT PROCEDURAL HISTORY

The Court in response to BioChemics report contained in the 9-18-17 Joint Report (Doc. #353) par. 1(a) and BioChemics September 29, 2017 motion (Doc. #356), by Order dated October 13, 2017 (Doc. #360) approved the transfer of BioChemics' technology for a limited purpose. In reference to that opportunity, BioChemics and the Commission had discussed the nature and extent of the partial release of the Commission's security interest that would be required in exchange for a \$5 million payment to the Court's registry. BioChemics and the Commission had come to an agreement regarding the wording of that partial release and the partial release was shared with ADEC.

BioChemics subsequently informed the Commission, ADEC and the Court in BioChemics November 2, 2017 Supplemental Report (Doc. #364) that the transaction regarding the so-called "License Opportunity" did not consummate as planned.

II. REASON FOR BIOCHEMICS RENEWED REQUEST FOR APPROVAL

In its November 29, 2017 Supplemental Report, BioChemics informed the Court that it had informed the Commission and ADEC that on November 29, 2017 BioChemics had received a signed binding enforceable loan commitment from a corporate entity for the payment of \$5 Million into the Court Registry by December 28, 2017 for the acquisition of the intellectual property referred to in these proceedings as the "Licensing Opportunity." The identity of the entity making the commitment has been disclosed to the Commission. It is a publicly traded corporate entity on the Canadian Stock Exchange and has extensive US operations.

Because of the nature of the commitment, BioChemics requested that the Commission and ADEC not oppose BioChemics' re-newed request for the Court's approval of the transfer of this particular application of the intellectual property. *See* October 13, 2017 Order (Doc. #360). This particular application of the intellectual property does not involve an Inpellis asset.

BioChemics has also disclosed to the Commission and ADEC other ongoing developments regarding both BioChemics and Inpellis assets that could allow BioChemics to make additional payments towards the Judgment and the ADEC obligation in the near term.

The transaction pursuant to the binding enforceable loan commitment, assuming approval, shall result in a payment into the Court's Registry of \$5 Million by December 28, 2017.

III. RELIEF REQUESTED

For these reasons, BioChemics respectfully re-news its request that the Court approve the limited transfer of BioChemics' technology in consideration of and contingent upon the \$5

million payment being made into the Court Registry by December 28, 2017 for the limited purpose that is the subject of the binding loan commitment.

Dated: November 29, 2017

Respectfully submitted,

BioChemics:

/s/ Jan Schlichtmann

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CERTIFICATE OF ELECTRONIC SERVICE

I hereby certify that, on November 29, 2017 a true and correct copy of the foregoing document was served on counsel for the Commission and ADEC by electronic service through the CM/ECF.

Dated: November 29, 2017

Respectfully submitted,

BioChemics,
By its attorney

/s/ Jan Schlichtmann

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